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FOR IMMEDIATE RELEASE  
JANUARY 12, 2006

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## DECEMBER REVENUES

NASHVILLE, Tenn. - December 2005 revenue collections were above the budgeted estimate, but include \$10 million in one-time sales tax payments from two taxpayers. Finance and Administration Commissioner Dave Goetz today released December revenue figures, which continue to be strong.

"Revenue collections are good for the first five months of the fiscal year, and it's indicative of Tennessee's good economic situation," Goetz said. "We may not be experiencing the kind of rebound other states are reporting but we have the advantage of having reformed our Medicaid program whereas programs in other states are demanding new revenue."

On an accrual basis December is the fifth month in the 2005-2006 fiscal year. Department of Revenue tax collections were \$810.8 million.

December revenues were \$27.9 million more than the budgeted estimate. The general fund was \$28.2 million overcollected and the four other funds undercollected by \$300,000.

Sales tax collections were \$13.3 million more than the estimate in December. For five months revenues are overcollected by \$2.7 million.

Franchise and excise taxes combined were \$15.6 million more than the estimate of \$120.4 million. For five months revenues were \$27.4 million overcollected.

Gasoline and motor fuel collections increased by 0.8% and were \$1 million less than the budgeted estimate of \$70.4 million. For five months, collections were \$7.1 million more than the estimate.

Year-to-date collections for five months were \$62.8 million more than the budgeted estimate. The general fund was overcollected by \$56 million and the four other funds were overcollected by \$6.8 million.

The budgeted revenue estimates are based on the State Funding Board's consensus recommendation adopted by the first session of the 104<sup>th</sup> General Assembly in May of last year.

<p align="center"><b>REVENUE COLLECTIONS</b>  <b>DECEMBER, 2005, AND 5 MONTHS YEAR-TO-DATE</b></p>
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**December Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$653,216,000	\$681,458,000	\$28,242,000
Highway Fund	48,639,000	48,561,000	(78,000)
Sinking Fund	22,922,000	23,004,000	82,000
City & County Fund	55,851,000	55,677,000	(174,000)
Earmarked Fund	2,233,000	2,054,000	(179,000)
<b>Total</b>	<b>\$782,861,000</b>	<b>\$810,754,000</b>	<b>\$27,893,000</b>

**Year-To-Date Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$3,216,309,000	\$3,272,340,000	\$56,031,000
Highway Fund	257,264,000	261,348,000	4,084,000
Sinking Fund	115,333,000	115,317,000	(16,000)
City & County Fund	279,680,000	283,806,000	4,126,000
Earmarked Fund	12,763,000	11,371,000	(1,392,000)
<b>Total</b>	<b>\$3,881,349,000</b>	<b>\$3,944,182,000</b>	<b>\$62,833,000</b>

<p align="center">Table 1 Tennessee Department of Revenue Comparative Statement of Collected Revenues</p>
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Class of Tax	December			
	2004	2005	Change	Percent
Franchise & Excise	\$142,100,000	\$136,001,000	-\$6,099,000	-4.29%
Income	3,265,000	3,516,000	251,000	7.69%
Inheritance & Estate	9,514,000	3,343,000	-6,171,000	-64.86%
Gasoline	49,331,000	48,580,000	-751,000	-1.52%
Petroleum Special	5,234,000	5,243,000	9,000	0.17%
Tobacco	9,107,000	9,561,000	454,000	4.99%
Beer	1,397,000	1,392,000	-5,000	-0.36%
Motor Vehicle Registration	14,553,000	14,921,000	368,000	2.53%
Motor Vehicle Title	811,000	798,000	-13,000	-1.60%
Mixed Drink	3,387,000	3,832,000	445,000	13.14%
Business	1,076,000	1,439,000	363,000	33.74%
Privilege	18,478,000	21,109,000	2,631,000	14.24%
Gross Receipts	849,000	(104,000)	-953,000	-112.25%
TVA - In Lieu of Tax Payment	18,039,000	18,344,000	305,000	1.69%
Alcoholic Beverage	3,388,000	3,647,000	259,000	7.64%
Sales and Use	477,451,000	523,271,000	45,820,000	9.60%
Motor Vehicle Fuel	14,269,000	15,561,000	1,292,000	9.05%
Severance	115,000	163,000	48,000	41.74%
Coin-operated Amusement	2,000	7,000	5,000	250.00%
Unauthorized Substance	0	130,000	130,000	NA
Total	\$772,366,000	\$810,754,000	\$38,388,000	4.97%

Table 2  
Tennessee Department of Revenue  
Comparative Statement of Collected Revenues

Class of Tax	August - December			
	2004	2005	Change	Percent
Franchise & Excise	\$406,484,000	\$476,458,000	\$69,974,000	17.21%
Income	7,139,000	10,895,000	3,756,000	52.61%
Inheritance & Estate	31,857,000	35,998,000	4,141,000	13.00%
Gasoline	258,039,000	257,499,000	-540,000	-0.21%
Petroleum Special	26,884,000	27,410,000	526,000	1.96%
Tobacco	50,709,000	52,478,000	1,769,000	3.49%
Beer	7,449,000	7,574,000	125,000	1.68%
Motor Vehicle Registration	84,687,000	87,417,000	2,730,000	3.22%
Motor Vehicle Title	4,542,000	4,499,000	-43,000	-0.95%
Mixed Drink	17,035,000	19,428,000	2,393,000	14.05%
Business	6,420,000	7,207,000	787,000	12.26%
Privilege	98,509,000	116,425,000	17,916,000	18.19%
Gross Receipts	12,924,000	12,847,000	-77,000	-0.60%
TVA - In Lieu of Tax Payment	88,662,000	91,610,000	2,948,000	3.32%
Alcoholic Beverage	15,042,000	15,945,000	903,000	6.00%
Sales and Use	2,455,833,000	2,641,107,000	185,274,000	7.54%
Motor Vehicle Fuel	72,990,000	78,212,000	5,222,000	7.15%
Severance	618,000	778,000	160,000	25.89%
Coin-operated Amusement	60,000	61,000	1,000	1.67%
Unauthorized Substance	0	334,000	334,000	NA
<b>Total</b>	<b>\$3,645,883,000</b>	<b>\$3,944,182,000</b>	<b>\$298,299,000</b>	<b>8.18%</b>

**Table 3**  
**August - December Revenue Overcollections/(Undercollections)**  
**Budgeted Estimate**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Sales Tax	\$ 2,600,000	\$ 100,000	\$ 2,700,000
Income Tax	1,300,000	500,000	1,800,000
Inheritance Tax	(2,400,000)	0	(2,400,000)
Privilege Tax	19,000,000	(1,400,000)	17,600,000
Business Tax	1,000,000	0	1,000,000
TVA	0	(100,000)	(100,000)
Gross Receipts	1,700,000	0	1,700,000
Gasoline & Motor Fuel Taxes	100,000	7,000,000	7,100,000
Motor Vehicle Registration	0	(500,000)	(500,000)
Other Taxes	5,300,000	1,200,000	6,500,000
<b>Sub-Total</b>	<b>\$ 28,600,000</b>	<b>\$ 6,800,000</b>	<b>\$ 35,400,000</b>
F & E Taxes	27,400,000	0	27,400,000
<b>Total</b>	<b>\$ 56,000,000</b>	<b>\$ 6,800,000</b>	<b>\$ 62,800,000</b>